GOVERNMENT OF INDIA
LABOUR
LOK SABHA

STARRED QUESTION NO:531
ANSWERED ON:03.05.2000
CONTRACT LABOUR SYSTEM
HOLKHOMANG HAOKIP

Will the Minister of LABOUR be pleased to state:

(a) whether the contract labour system has been abolished as per the recent Supreme Court Ruling;

(b) if so, whether the Government are aware that certain private and public sector undertakings in the country have been employing contract labour even after the above ruling;

(c) if so, the details thereof, industry-wise alongwith the reasons therefor; and

(d) the action taken or proposed to be taken by the Government against the erring private and PSUs in this regard?

Answer

MINISTER OF LABOUR (DR. SATYANARAYAN JATIYA)

(a) & (d): A statement is laid on the Table of the House.

STATEMENTREFERREDT O I NREPLYT O LOK SABHA STARRED QUESTION NO.531 FOR 3.5.2000REGARDING CONTRACT LABOUR SYSTEM.

The Contract Labour (Regulation and Abolition) Act was passed by both the House of Parliamentin 1970. The central objective of the Act is to abolish contract labour in certain jobs and processes in accordance with the provisions of section 10 of the Act and to regulate the employment of contract labour in other jobs/processes where it cannot be abolished. The Act does not envisage total abolition of contract labour system. Instead it permits continuance of contract labour system in those jobs or processes where it has not been abolished. The Supreme Court of India in Airport Corporation of India Vs. United Labour Union (AIR 1997 SC 645 and 1997 LLR 288) whilesuperseding its earlier judgement in Gujarat State Electricity Board, Thermal Power Station, Ukai, Gujarat Vs. Hind Mazdoor Sabha and other (JT 1995 (4) SC 264) came to the following conclusions:-

- The objective of the Contract Labour (Regulation and Abolition) Act is to prevent exploitation of Labour.

- The objective is to ensure continuity of work to the workmen in strict compliance of the provisions of the law.

- the principal employer is bound by law to regulate and ensure payment of wages as also provide all facilities and amenities to contract labour under the rules framed thereunder.

- The principal employer has also an obligation to absorb all contract labour who are retrenched as a result of issue of a notification under section 10(1) by the appropriate government.

- Direct relationship is established between workmen and the principal employer the moment the contract labour has been prohibited under section 10(1).

From the above it is clear that Supreme Court has ruled the total abolition of contract labour system. The CentralGovernment as well as the State Governments are the appropriate governments for the purpose of implementation of the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 in establishments falling within their respective jurisdictions. The Central Industrial Relations Machinery headed by the Chief LabourCommissioner (Central) enforces the provisions of the Act and the rules made thereunder in respect of establishments falling under the central sphere. The establishments are inspected by the inspecting authorities prescribed under the Act and wherever instances of violations of the Act/Rules/Notificationscome to their notice, prosecutions are launched against the defaulting establishments.